

Making the Most of Your Calls to SDRS

When you call SDRS our goal is for you to reach a real person — not a computerized voice. SDRS thinks that's the best way to promptly connect you to the right staff person with the right answers. Unfortunately, this personal service occasionally becomes impossible.

SDRS' two receptionists handle more than 38,000 calls each year — equivalent to the combined populations of Brookings and Watertown. This number would be manageable if the calls were evenly spaced, but, of course, they're not. Calls come in waves, and some times of day are busier than others. The peak times are:

- ▶▶ 12 to 2 p.m.
- ▶▶ 4 to 5 p.m.
- ▶▶ the week after personal benefit statements or issues of *Outlook* are mailed
- ▶▶ the spring retirement season

SDRS addresses this problem of peak times in two ways. First, the telephone system maximizes the possibility that a receptionist will answer each call by transferring the call from one telephone line to the other. This gives each receptionist

additional opportunities to pick up. During this time you may hear an unusual number of rings. If both lines are still busy, the voicemail system is activated and you may leave a message.

Second, to ensure that SDRS responds promptly to messages, the voicemail system is checked every hour. Each message is forwarded to an appropriate staff person, who will try to return your call the same day.

When you dial SDRS at 605-773-3731 (Monday – Friday 8 a.m. to 5 p.m.), you can help speed your call through the system by using these tips:

- ▶▶ Identify yourself as an authorized agent and state the reason for your call.
- ▶▶ When calling on behalf of a member, be ready with the member's full name and Social Security number. This information helps the SDRS staff, who will have the account information already on-screen, ready to answer questions as soon as your call is transferred.

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The Answer Line: *Knowing Which Questions To Ask*

When a member terminates — stops working for an SDRS-participating employer — does the system automatically send the member a refund of contributions?

 No. The member must first decide whether to leave the accumulated contributions in SDRS or request a refund. Accumulated contributions are all contributions a member has made and all or part of the employer's contributions (depending upon length of service), plus interest. For many members, withdrawing contributions may not be a wise financial move.

Why not?


 By keeping contributions in SDRS, members will continue earning interest on those funds. In addition, vested members (those who have at least three years of credited service) will maintain the right to receive SDRS benefits.


(Non-vested members may leave contributions in the system

for up to 10 years from their date of termination and continue earning interest. Members who anticipate re-employment with a participating unit often choose this option.)



If members withdraw the contributions, however, they will:

- ▶▶ forfeit their monthly SDRS lifetime retirement benefit
- ▶▶ forfeit their spouse's lifetime survivor benefit
- ▶▶ forfeit their right to share in future benefit improvements
- ▶▶ forfeit their right to a 3.1 percent annual increase in their benefit
- ▶▶ assume the risk for the investment performance of their contributions
- ▶▶ make a decision that is irrevocable

 **If a member chooses to withdraw contributions from SDRS, how can he or she get a refund?**

 If a member wishes to withdraw contributions, the member must contact SDRS to obtain a Refund Explanation packet. This packet contains detailed information to assist the member in the decision-making process and includes a refund application, should he or she decide to exercise that option.

Where can I get additional information to help explain termination benefits and options to members in my unit?

 Please refer to the "Termination Benefits" section of your Authorized Agents Manual. It contains a full description of member benefits, options and possible scenarios, a question-and-answer section, and sample forms with explanations. Also, you will find a step-by-step guide for agents on page 58 of your manual. 

South Dakota Retirement System

PO Box 1098
Pierre, South Dakota 57501

Making the Most of Your Calls to SDRS ... *continued*


- ▶▶ Try to avoid calling during the busiest times of the day, between 12 and 2 p.m. and between 4 and 5 p.m. Central Time.
- ▶▶ If your call is not being answered, wait until the voicemail system starts and

then leave a message, including a time during the day when you can be reached.

Finally, keep in mind these quick alternatives to calling:

- ▶▶ The SDRS Web site may contain the answer to your

question (<http://www.state.sd.us/sdrs/>).

- ▶▶ You can e-mail your questions to SDRS via the Web site.
- ▶▶ You can e-mail SDRS directly (SDRSWeblink@state.sd.us). 

The Way It Works:

Leave of Absence

Whether it's for a dreamed-of paid sabbatical or an on-the-job injury, a leave of absence requires a member to make important decisions. One of the most critical is whether to continue making SDRS contributions. This choice may have far-reaching effects for the member and his family. You can help your members see their options more clearly during this change in employment status by comparing the cost of contributing to the consequences of not contributing.

Making Contributions

Continuing to make SDRS contributions during a leave of absence keeps death, disability and optional spouse coverage in force. It also allows credited service to accumulate and previous purchases of service to continue if your unit is a standard purchase unit. To make these contributions, each month members must pay SDRS an amount equal to both their own and their employer's contributions, based on the member's salary before the leave. It is not based on money a member may receive during the leave, such as Worker's Compensation or a stipend. The total contribution is 12 percent for Class A members, 16 percent for Class B Public Safety members and 18 percent for Class B Judicial members.

Not Making Contributions

If a member elects to stop SDRS contributions during the leave, there

are three consequences:

- ▶▶ Death, disability and optional spouse coverages will lapse.
- ▶▶ Credited service is not earned. (In some situations it may be purchased after the member returns from leave.) However, credit for military service is granted if the member has at least one year of service before the leave and earns another year of service immediately after returning.
- ▶▶ Any previously started tax-efficient purchase of service is halted, except in the case of paid leave from a tax-deferred unit.

Forms to Use

Regardless of the member's decision whether to contribute, you will need to complete SDRS Form B-1, "Termination of Contributory Service." This form serves two purposes. First, it records the existence of the leave of absence. Second, it generates a letter from SDRS asking the member to contact the SDRS Finance Department at (605) 773-3731 if he or she wishes to continue making contributions. If the member opts to continue making contributions, the Finance Department staff will determine the amount and the member only needs to send monthly checks to SDRS. No remittance form is required.

Employers may choose to pay all or part of the SDRS contributions during the leave of absence. Employers who continue making SDRS

contributions should use the Monthly Retirement Contribution Report, as usual.

Should a member not return to work after a leave of absence, fill out another SDRS Form B-1 to change the reason for ending SDRS contributions. Members returning to work are automatically reinstated. [UpDate](#)

SDRS Reminder

Send in Form E-1 for New Employees

When new full-time, permanent employees begin working in your unit, you are responsible for ensuring that SDRS receives the correct documentation to enroll them in the system.

After you tell them about membership, have them complete Form E-1, "Application for SDRS Enrollment." Please review the form with them, particularly the beneficiary section. Explain that the standard order for the designation of beneficiaries is: spouse, children and estate. If employees want to change the designation, they must complete Form E-5, "Beneficiary Designation Form." Only those who want to change this order are required to complete Form E-5.

When the new employees complete their forms, please make sure they are signed and dated before sending them to SDRS. Finally, remember to give your new employees the general brochure, "Income for Your Retirement," and the Supplemental Retirement Plan brochure.

SDRS STATE-WIDE MEETING SCHEDULE

SCHEDULE DATE	CITY	COUNTY	LOCATION	ADDRESS	INDIVIDUAL COUNSELING SESSIONS
November 5, 2002	Yankton	Yankton	Kelly Inn/Best Western	1607 E. HWY 50	Available
November 12, 2002	Madison	Lake & Miner	Chamber of Commerce Room	315 S. Egan Ave.	Available
November 19, 2002	Brookings	Brookings	Brookings Inn	2500 E. 6 th St.	Available
November 26, 2002	Huron	Beedle & Sanborn	Crossroads Hotel	100 4 th St.	Available
December 3, 2002	Pierre (State Workers)	Hughes, Hyde, Stanley & Sully	Ramkota	920 W. Sioux Ave.	Available
December 10, 2002	Miller	Hand, Hyde	American State Bank	131 N. Broadway Ave.	Available
December 17, 2002	Kadoka	Haakon, Jackson, Jones	Kadoka Fire Hall	102 Main St.	Available
January 7, 2003	Pierre (Other Than State)	Hughes, Sully, Stanley	Ramkota	920 W. Sioux Ave.	Available
January 14, 2003	Chamberlain	Brule, Buffalo, Lyman	Cedar Shore Resort	1500 Shoreline Dr. (Oacoma)	Available
January 21, 2003	Ipswich	McPherson, Edmunds	Courthouse Comm. Room	210 Second Ave.	Available
January 28, 2003	Gregory	Gregory, Tripp	Gregory Auditorium Comm. Rm.	Main St.	Available
February 4, 2003	Watertown	Codington	Ramkota Hotel	1901 9 th Ave. S.W./W Hwy 212	Available
February 11, 2003	Hot Springs	Fall River, Shannon	Mueller Civic Center	801 S. 6 th St.	Available
February 18, 2003	Mitchell	Davison, Hanson	To be announced	To be announced	Available
February 25, 2003	Mission	Todd, Mellette, Bennett	To be announced	To be announced	Available
March 4, 2003	Parkston	Hutchison, Douglas	To be announced	To be announced	Available
March 11, 2003	Brookings	Brookings	To be announced	To be announced	Available
March 18, 2003	Eagle Butte	Ziebach, Dewey	To be announced	To be announced	Available
March 25, 2003	Platte	Charles Mix	To be announced	To be announced	Available
April 1, 2003	Britton	Marshall	To be announced	To be announced	Available
April 8, 2003	Castlewood	Hamlin	To be announced	To be announced	Available
April 15, 2003	Belle Fourche	Butte, Harding	To be announced	To be announced	Available
April 22, 2003	Milbank	Grant	To be announced	To be announced	Available
April 29, 2003	Custer	Custer	To be announced	To be announced	Available

Coming to Terms: *Vested*

Simply put, to be vested is to be entitled to a lifetime retirement benefit. Members of SDRS become vested when they have at least three years of credited service with an SDRS employer.

For example, suppose a married woman began employment with a South Dakota school district on August 1, 1999, and retained

that job until August 1, 2001, accumulating two years of credited service. Then she began working for her local city government, earning another year of SDRS credited service. She would have become vested on August 1, 2002, and entitled to an SDRS monthly lifetime retirement benefit at age 65 — even if she quit her job

immediately after becoming vested.

Once the member is vested, her spouse is eligible for survivor benefits in the event of her death. This eligibility continues whether or not the member remains employed by an SDRS-participating unit, unless the member withdraws her accumulated contributions. 